

**STATE OF SOUTH DAKOTA  
OFFICE OF PROCUREMENT MANAGEMENT  
523 EAST CAPITOL AVENUE  
PIERRE, SOUTH DAKOTA 57501-3182**

**Durable Medical Equipment (DME) Reuse Program  
PROPOSALS ARE DUE NO LATER THAN November 6, 2015**

RFP #:123

BUYER: Department of  
Social Services, Division of  
Medical Services

POC: Mark Close  
EMAIL:  
Mark.Close@state.sd.us

**READ CAREFULLY**

FIRM NAME: \_\_\_\_\_ AUTHORIZED SIGNATURE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ TYPE OR PRINT NAME: \_\_\_\_\_

CITY/STATE: \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

ZIP (9 DIGIT): \_\_\_\_\_ FAX NO: \_\_\_\_\_

FEDERAL TAX ID#: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

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**PRIMARY CONTACT INFORMATION**

CONTACT NAME: \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

FAX NO: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

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## **1.0 GENERAL INFORMATION**

### **1.1 PURPOSE OF REQUEST FOR PROPOSAL (RFP)**

The purpose of this RFP is to establish a South Dakota Medicaid Durable Medical Equipment (DME) Reuse Program. The program should accommodate receiving, refurbishing, repairing and redistributing medical equipment items to Medicaid recipients and other eligible persons, increasing access to affordable assistive technology and medical equipment. In order to obtain sustainability, major program objectives will be to build multi-payer constituency, achieve a net cost savings (after operating costs are met), maintain a neutral effect on existing medical equipment providers, and ensure quality standards like safe reuse of prescribed equipment.

### **1.2 ISSUING OFFICE AND RFP REFERENCE NUMBER**

The Department of Social Services, Division of Medical Services is the issuing office for this document and all subsequent addenda relating to it, on behalf of the State of South Dakota. The reference number for the transaction is RFP #123. Refer to this number on all proposals, correspondence, and documentation relating to the RFP.

Please refer to the Department of Social Services website link <http://dss.sd.gov/rfp/index.asp> for the RFP, any related questions/answers, changes to schedule of activities, etc.

### **1.3 SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)**

RFP Publication	<u>September 23, 2015</u>
Deadline for Submission of Written Inquiries	<u>October 9, 2015</u>
Responses to Offeror Questions	<u>October 23, 2015</u>
Proposal Submission	<u>November 6, 2015</u>
Anticipated Award Decision/Contract Negotiation	<u>December 4, 2015</u>

### **1.4 SUBMITTING YOUR PROPOSAL**

All proposals must be completed and received in the Department of Social Services, Division of Medical Services by the date and time indicated in the Schedule of Activities.

Proposals received after the deadline will be late and ineligible for consideration.

An original and 4 identical copies and 1 digital copy of the proposal shall be submitted.

All proposals must be signed in ink by an officer of the responder legally authorized to bind the responder to the proposal, and sealed in the form intended by the respondent. Proposals that are not properly signed may be rejected. The sealed envelope must be marked with the appropriate RFP Number and Title. The words "Sealed Proposal Enclosed" must be prominently denoted on the outside of the shipping container. **Proposals must be addressed and labeled as follows:**

**REQUEST FOR PROPOSAL #123 PROPOSAL DUE November 6, 2015**  
**SOUTH DAKOTA DEPARTMENT OF SOCIAL SERVICES**  
**ATTENTION: Mark Close**  
**700 GOVERNORS DRIVE**  
**PIERRE, SD 57501-2291**

No punctuation is used in the address. The above address as displayed should be the only information in the address field.

No proposal may be accepted from, or any contract or purchase order awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.

**1.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS**

By signing and submitting this proposal, the offeror certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation, by any Federal department or agency, from transactions involving the use of Federal funds. Where the offeror is unable to certify to any of the statements in this certification, the bidder shall attach an explanation to their offer.

**1.6 NON-DISCRIMINATION STATEMENT**

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the offeror certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

**1.7 MODIFICATION OR WITHDRAWAL OF PROPOSALS**

Proposals may be modified or withdrawn by the offeror prior to the established due date and time.

No oral, telephonic, telegraphic or facsimile responses or modifications to informal, formal bids, or Request for Proposals will be considered.

**1.8 OFFEROR INQUIRIES**

Offerors may email inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after October 9, 2015. Email inquiries must be sent to Mark.Close@state.sd.us with the subject line "RFP #123."

The Department of Social Services. Division of Medical Services will respond to offerors inquiries by posting the offeror aggregated questions and Department responses on the DSS website at <http://dss.sd.gov/rfp/index.asp> no later than October 23, 2015. Offerors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Offerors will be notified in the same manner as indicated above regarding any modifications to this RFP.

**1.9 PROPRIETARY INFORMATION**

The proposal of the successful offeror(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

**1.10 LENGTH OF CONTRACT**

This initial contract is expected to be effective from January 1, 2016 – May 31, 2017. There will be opportunity for two, one year contract extensions.

### **1.11 GOVERNING LAW**

Venue for any and all legal action regarding or arising out of the transaction covered herein shall be solely in the State of South Dakota. The laws of South Dakota shall govern this transaction.

### **1.12 DISCUSSIONS WITH OFFERORS (ORAL PRESENTATION/NEGOTIATIONS)**

An oral presentation by an offeror to clarify a proposal may be required at the sole discretion of the State. However, the State may award a contract based on the initial proposals received without discussion with the offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the offeror's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each respondent shall be available for negotiation meetings at the State's request. The State reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

## **2.0 STANDARD AGREEMENT TERMS AND CONDITIONS**

Any contract or agreement resulting from this RFP will include the State's standard terms and conditions as seen in Attachment A:

## **3.0 SCOPE OF WORK**

South Dakota Medicaid is seeking a proposal to efficiently, effectively establish a South Dakota Medicaid Durable Medical Equipment (DME) Reuse Program. The program should accommodate receiving, tracking, processing, refurbishing, and redistributing medical equipment items to Medicaid recipients and other eligible persons.

**The Contractor shall directly or through subcontracts:**

### **3.1 Process Medical Equipment**

#### **3.1.1 Receive Medical Equipment**

- 3.1.1.1 Establish procedures to respond to requests to retrieve used medical equipment purchased by South Dakota Medicaid for Medicaid recipients or from others who want to donate (refer to Attachment C for a list of DME vendor is expected to consider. This list is not exclusive).
- 3.1.1.2 Respond to all requests to retrieve medical equipment within three (3) business days. Inform individual if equipment will not be collected.
- 3.1.1.3 Schedule retrieval of accepted medical equipment within seven (7) business days; Confirm the location, day and time of retrieval with the individual;
- 3.1.1.4 Identify drop-off locations that will accept and store donations of medical equipment.

#### **3.1.2 Tag and Track**

- 3.1.2.1 Develop equipment tracking identification procedures for reusable medical equipment provided to South Dakota Medicaid recipients so that equipment can be easily identified as South Dakota Medicaid equipment. Collaborate with South Dakota Medicaid enrolled

medical equipment providers, educating them about the program and ensuring that they offer the reuse products to Medicaid recipients and other eligible individuals when available;

- 3.1.2.2 Manage the State-designated, web-based tracking system, ensuring all reuse equipment inventory is updated regularly and images of available refurbished equipment is displayed in a timely manner. Ensure that appropriate users have access to view available equipment and to mark appropriate inventory as unavailable in the web-based tracking system when it is selected for a recipient;
- 3.1.2.3 Technically administer permissions for the State-designated, web-based tracking system to appropriate users, including Medicaid enrolled durable medical providers, community partners, and other appropriate entities. South Dakota Medicaid staff will, also, have administration permissions to the system, but the vendor is expected to administer permissions outside of South Dakota Medicaid staff users in a timely manner;

### **3.1.3 Evaluate and Route Medical Equipment**

- 3.1.3.1 Develop standard evaluation criteria in accordance with Attachment B: Indicators of Quality for Durable Medical Equipment Reuse to determine the outcome of the medical equipment collected by the DME Reuse Program.
- 3.1.3.2 Create procedures to route the equipment for refurbishment or disposal.

## **3.2 Refurbish Medical Equipment**

- 3.2.1 Sanitize, repair, and otherwise refurbish equipment for reuse. Each piece of reused equipment must be appropriately returned to a condition of safety and effectiveness comparable to when new. Services may include:
  - 3.2.1.1 Disinfection and systematic cleaning of equipment before further refurbishing;
  - 3.2.1.2 Repair or rework equipment, replacing worn parts with new parts;
  - 3.2.1.3 Adjustment or replacement of components needing periodic attention and lubrication;
  - 3.2.1.4 Update software / hardware, if exists;
  - 3.2.1.5 Painting or dent removal, aesthetic fixes;
  - 3.2.1.6 Testing of function to bring equipment into conformance with specified tolerances;
  - 3.2.1.7 Perform refurbishment in a manner consistent with product specifications and service procedures required for the medical equipment without significantly changing its performance, safety specifications, or intended use. Refer to Attachment B: Indicators of Quality for Durable Medical Equipment Reuse.

## **3.3 Redistribute Refurbished Medical Equipment**

- 3.3.1 Post refurbished medical equipment online using the state-designated system.
- 3.3.2 Upon posting to online inventory list, make equipment available exclusively to South Dakota Medicaid recipients for 90 days.

- 3.3.3 After 90 days on the inventory list, open unclaimed equipment for purchase by non-Medicaid recipients.
- 3.3.4 Respond to requests for DME within three (3) business days.
- 3.3.5 If an appointment time cannot be established within 24 hours, provide an estimated time for follow-up with the individual making the request; delivery must occur within seven (7) business days from determination of appropriate equipment being available and selected by the recipient.
- 3.3.6 Provide and deliver equipment free of charge to South Dakota Medicaid recipients;
- 3.3.7 Partner with enrolled South Dakota Medicaid durable medical equipment providers to provide skilled instruction for equipment at no cost to the recipient receiving the reuse equipment. Instruction may include: proper use, design, and capabilities of the equipment according to Center for Medicare and Medicaid Services (CMS) and/or manufacturer guidelines. Obtain and retain an acknowledgement of such training from the recipient or the recipient's authorized representative;
- 3.3.8 Provide original manufacturer user documentation, when available.
- 3.3.9 Distribute a standard, state-approved Customer Satisfaction Survey to each recipient within two (2) weeks of reuse equipment delivery.
- 3.3.10 Track survey results and report survey results to South Dakota Medicaid annually.

#### **3.4 Bill for Fees and Services Associated with the Reuse Program**

- 3.4.1 Propose a fee schedule for all functions of the DME Reuse Program that may include: dispensing fee, collection fee, disposal fee, supplies, fittings/or measurement, delivery fee, and any other appropriate costs to be submitted to South Dakota Medicaid for reimbursement.
- 3.4.2 Bill South Dakota Medicaid using vouchers according to the fee schedule agreed upon between the vendor and South Dakota Medicaid, coordinating billing and reimbursement with all subcontracted agencies or parties used to accommodate any part of the DME Reuse Program. Subcontracted parties must be Medicaid-enrolled durable medical equipment providers that provide billable service related to providing reuse equipment. **Selected vendor must bill Medicaid directly for all subcontracted services**
- 3.4.3 To supplement reuse program costs, bill other payers and individuals for items selected by non-Medicaid recipients from the reuse program.

#### **3.5 Outreach and Program Development**

- 3.5.1 Maintain a toll free number to provide information about the DME Reuse Program and receive requests for medical equipment items during normal operating hours. In addition to the state-designated web-based system, vendor may propose additional methods to support after-hour requests for reused medical equipment;
- 3.5.2 Develop and implement strategies to ensure South Dakota Medicaid recipients know that all reusable medical equipment purchased by South Dakota Medicaid belongs to South Dakota Medicaid and must be returned to the DME Reuse Program at the end of use.
- 3.5.3 Educate South Dakota Medicaid-enrolled medical equipment providers and any other medical equipment providers servicing South Dakota Medicaid-enrolled recipients about the DME Reuse

Program and that available equipment must be offered to eligible South Dakota Medicaid recipients prior to offering new equipment.

- 3.5.4 Develop and implement an outreach campaign targeting programs and agencies who work with the elderly and disabled populations to inform them about the DME Reuse Program. All elements of recipient outreach campaigns must be approved by the South Dakota Department of Social Services, Division of Medical Services prior to being used;

### **3.6 Operating Requirements**

- 3.6.1 Create and utilize formal, written procedures which shall be submitted to South Dakota Medicaid for approval before operations begin and any time prior to implementing a significant program modification. Procedures must explain each item listed in the scope of work including:
  - 3.6.1.1 Process lightly-used medical equipment;
  - 3.6.1.2 Refurbish medical equipment;
  - 3.6.1.3 Redistribute refurbished medical equipment
  - 3.6.1.4 Billing for fees and services associated to the DME Reuse Program
  - 3.6.1.5 Outreach and program development
  - 3.6.1.6 Operating requirements
  - 3.6.1.7 Reporting requirements
  - 3.6.1.8 Quality assurance framework
- 3.6.2 Collaborate with every South Dakota Medicaid enrolled medical equipment provider located within South Dakota or the fifty mile radius surrounding its border;
- 3.6.3 Identify or establish an office of operations in South Dakota for the DME Reuse Program. The vendor must identify the personnel who will manage the program and be the primary point-of-contact for SD Medicaid;
- 3.6.4 Vendors who consider utilizing subcontractors to accomplishment program requirements must be in compliance with the requirements of Section 2.18;
- 3.6.5 Maintain an organized documentation library that includes current State and Federal Regulations pertaining to the durable medical equipment, HIPAA regulations, and the DME Reuse Program procedures. The documentation library must be accessible to DME Reuse Program staff and to South Dakota Department of Social Services staff upon request;
- 3.6.6 Ensure compliance with HIPAA, South Dakota Administrative Rule, and any guidelines provided by the Centers for Medicare and Medicaid, and prevailing industry Medical equipment standards;
- 3.6.7 Develop a tracking mechanism for protected personal information. The vendor will track the durable medical equipment that is matched to South Dakota Medicaid recipients and other eligible individuals.

### 3.7 Reporting Requirements

- 3.7.1 Vendor shall provide monthly inventory reporting of the equipment associated with the DME Reuse Program, including:
  - 3.7.1.1 Number and type of donated equipment items;
  - 3.7.1.2 Broken out by pickup at home or drop off at location (separated by location if more than one drop off site);
  - 3.7.1.3 Routing process--refurbishment, donation to other program, or disposal of;
  - 3.7.1.4 By length of time as inventory before distribution—less than 60 days, between 60 and 90 days, greater than 90 days;
  - 3.7.1.5 Cost of refurbishing the DME items by category;
  - 3.7.1.6 Number of South Dakota Medicaid recipients offered reused equipment per month;
  - 3.7.1.7 Strategies employed to increase program utilization;
  - 3.7.1.8 Results of Customer Satisfaction Surveys
  - 3.7.1.9 Other items as determined by the vendor and South Dakota Medicaid.
- 3.7.2 Vendor shall also provide a quarterly cost savings report showing net savings to South Dakota Medicaid from the DME Reuse Program (current Medicaid reimbursement for new equipment less reimbursement made for reused item supplied to South Dakota Medicaid recipients).

### 3.8 Quality Assurance Framework

The vendor shall establish a quality assurance framework, ensuring the requirements and documentation outlined in Attachment B - Indicators of Quality for Durable Medical Equipment Reuse – are followed; The DME Reuse Program should be developed using a model of continuous process improvement.

## 4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS

- 4.1 The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.
- 4.2 **Offeror's Contacts:** Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.
- 4.3 The offeror **MUST** submit a copy of their most recent independently audited financial statements.
- 4.4 Provide the following information related to at least three previous and current service/contracts performed by the offeror's organization which are similar to the requirements of this RFP. Provide this information for any service/contract that has been terminated, expired or not renewed in the past three years:



- a. Name, address and telephone number of client/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;
  - b. Dates of the service/contract; and
  - c. A brief, written description of the specific prior services performed and requirements thereof.
- 4.5 The offeror must submit information that demonstrates their availability and familiarity with the locale in which the project (s) are to be implemented.
- 4.6 The offeror must detail examples that document their ability and proven history in handling special project constraints.
- 4.7 If an offeror's proposal is not accepted by the State, the proposal will not be reviewed/evaluated.

## **5.0 PROPOSAL RESPONSE FORMAT**

5.1 An original and 4 copies shall be submitted.

5.1.1 In addition, the offeror should provide one (1) copy of their entire proposal, including all attachments and cost proposal, in PDF electronic format. Offerors may not send the electronically formatted copy of their proposal via email.

5.1.2 The proposal should be page numbered and should have an index and/or a table of contents referencing the appropriate page number.

5.2 All proposals must be organized and tabbed with labels for the following headings:

5.2.1 **RFP Form.** The State's Request for Proposal form completed and signed.

5.2.2 **Executive Summary.** The one or two page executive summary is to briefly describe the offeror's proposal. This summary should highlight the major features of the proposal. It must indicate any requirements that cannot be met by the offeror. The reader should be able to determine the essence of the proposal by reading the executive summary. Proprietary information requests should be identified in this section.

5.2.3 **Detailed Response.** This section should constitute the major portion of the proposal and must contain at least the following information:

5.2.3.1 A complete narrative of the offeror's assessment of the work to be performed, the offeror's ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the offeror's understanding of the desired overall performance expectations.

5.2.3.2 A specific point-by-point response, in the order listed, to each requirement in the RFP as detailed in Sections 3 and 4. The response should identify each requirement being addressed as enumerated in the RFP.

5.2.3.3 A clear description of any options or alternatives proposed.

5.2.4 **Cost Proposal.** Cost will be evaluated independently from the technical proposal. Offerors may submit multiple cost proposals. All costs related to the provision of the required services must be included in each cost proposal offered.

The cost proposal must be submitted in a separate sealed envelope labeled "Cost Proposal".

See section 7.0 for more information related to the cost proposal.

## **6.0 PROPOSAL EVALUATION AND AWARD PROCESS**

- 6.1 After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria listed in order of importance:
  - 6.1.1 Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;
  - 6.1.2 Resources available to perform the work, including any specialized services, within the specified time limits for the project;
  - 6.1.3 Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;
  - 6.1.4 Availability to the project locale;
  - 6.1.5 Cost proposal;
  - 6.1.6 Familiarity with the project locale;
  - 6.1.7 Proposed project management techniques; and
  - 6.1.8 Ability and proven history in handling special project constraints, st proposal.
- 6.2 Experience and reliability of the offeror's organization are considered subjectively in the evaluation process. Therefore, the offeror is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.
- 6.3 The qualifications of the personnel proposed by the offeror to perform the requirements of this RFP, whether from the offeror's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the offeror should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.
- 6.4 The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.
- 6.5 **Award:** The requesting agency and the highest ranked offeror shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.
  - 6.5.1 If the agency and the highest ranked offeror are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, either orally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor.
  - 6.5.2 The negotiation process may continue through successive offerors, according to agency ranking, until an agreement is reached or the agency terminates the contracting process.

## 7.0 COST PROPOSAL

The vendor's cost proposal should include detailed information about the costs associated with development and implementation of the DME Reuse Program, ongoing operation, and refurbishment of reused equipment. Cost proposals should include details about staffing, number of hours different components are expected to take, and expected delivery/completion dates. Offerors should provide detail for three time periods, including January 1, 2015 – May 31, 2016, June 1, 2016 – May 31, 2017 and June 1, 2017 – May 31, 2018.

Offerors may provide above detail in any template. Below is one example:

### **Example Cost Breakout by task:**

<b>Deliverable</b>	<b>Number of Hours</b>	<b>Expected Completion Date</b>	<b>Fixed Cost</b>
Develop DME Reuse Program including operating policies and procedures			\$
Develop Program manual and obtain appropriate staff			\$
Equipment Refurbishment			\$
Outreach and Training			\$
Adopt State-designated, web-based system and create other needed forms as necessary			\$
Detail any other costs			\$
<b>Total Fixed Cost of Deliverables</b>			\$